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18 March 1964

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CENTRAL INTELLIGENCE BULLETIN



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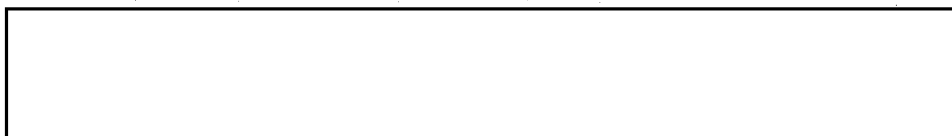
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*Communist China: [Russian delegates to the International Atomic Energy Agency (IAEA) think that the Chinese Communists already have a nuclear device and will be capable of exploding it in no more than a year,]

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[The current US estimate, prepared in July 1963, is that a Chinese nuclear explosion of some kind is possible in 1964 but is more likely to occur in 1965]

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Chile: The decisive factor in Sunday's by-election appears to have been the Communist-Socialist Popular Action Front's (FRAP) success in winning over the rural labor vote.

The Communists are openly boasting that this is the case, and the US Embassy reports that analysis of the election figures bears out their claims. Leaders of the two losing parties--the Christian Democrats (PDC) and the Democratic Front (FD)--also say that FRAP's victory is largely traceable to the Communists' ability to organize and indoctrinate rural workers.

Senator Eduardo Frei, the PDC's presidential candidate, tried to put the best face on things by saying that he was "reasonably satisfied" with his party's improved showing in Curico, but believes that the big winner on the national scene was Senator Salvador Allende, FRAP's presidential candidate.

Frei added that an Allende victory would mean "another Cuba here." Allende himself estimates that the Curico victory will be worth something like 100,000 additional votes in the presidential election next September.

The resignation from the presidential race of FD's Senator Duran in the wake of the Curico debate casts doubt on the future of the coalition, and may foreshadow its disintegration.

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Rumania-USSR: The USSR apparently has decided not to resist Rumania's program to develop a steel industry.

Beginning next year, according to a high Rumanian official, the Soviet Union will supply a large blooming-slabbing mill and a rolling mill promised in 1960 for the great metallurgical combine being built at Galati, as well as increased quantities of iron ore.

The official also said that relations among members of the Soviet-sponsored Council for Economic Mutual Assistance (CEMA) will be conducted on a bilateral basis for a long time. Multilateral arrangements are impossible now, he said, because of "differences" among CEMA members.

Moscow had opposed construction of the Galati complex on grounds that it was economically questionable. Its agreement to assist in the project probably was intended in part to forestall a further aggravation of Soviet-Rumanian differences. The Soviet leaders also may have decided that their failure to participate in an important bloc project in which several Western interests apparently hope to play a major role would have undesirable political effects.

The Russians probably hope by this agreement to influence Bucharest's future attitude in the Sino-Soviet conflict, which is now moving toward a new climax.

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Brazil: Several Brazilian leaders have been highly critical of President Goulart's 13 March demagogic speech on reforms.

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There has also been some muttering in congressional circles about starting impeachment proceedings against the President on charges of his having made "seditious statements" in his speech. It is doubtful, however, that much support can be stirred up for such a move.

Goulart's speech last week, followed by his reported request to Congress on 15 March to approve a plebiscite on basic reforms, promises to widen the gulf that now separates the executive and the legislature. Disagreement over basic reforms has long been a chief bone of contention between Goulart and Congress, despite the government coalition's paper majority in the Chamber of Deputies.

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*Panama: The efforts yesterday of two Panamanian radio stations to arouse public feeling on the canal issue may have ushered in a new period of tension. One of these stations directly accused President Chiari of bowing to the US. The other hinted that there is growing uneasiness among student and other nationalist groups. Panama's ultranationalist ambassador to the UN, Aquilino Boyd, also returned suddenly to Panama yesterday and can be expected to urge that the canal dispute be taken to the UN.

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Dahomey: A reaction against France may be developing in the wake of last week's demonstrations by northern tribal followers of ousted President Maga. Some Dahomeans, notably military elements who played a key role in easing Maga out last October, apparently see France's hand behind the disturbances and believe--despite the lack of any substantiating evidence--that Paris is attempting to restore Maga. The deputy commander of the local gendarmerie has indicated that Dahomean military leaders intend to press for the early removal of the 800 French troops now stationed in Dahomey.

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*Cuba--UN Trade Conference: ^{25X1} The Cuban delegation to the UN Conference on Trade and Development which convenes in Geneva next week will charge that US economic pressures against Cuba violate the purpose of the conference and United Nations principles,

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The delegation, headed by Che Guevara, is also said to be set to advocate "free commerce" among all nations, urging in particular that neutral nations expand their trade with the bloc.

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*USSR-Zanzibar: The USSR appears to have shipped a small quantity of military equipment to Zanzibar--the first such shipment to that country. The Soviet ship Faizabad, which declared for Iraq when it left the Black Sea, arrived in Zanzibar on 17 March. There is no indication of the type of military equipment included in the cargo, but a few trucks were carried on deck.

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